

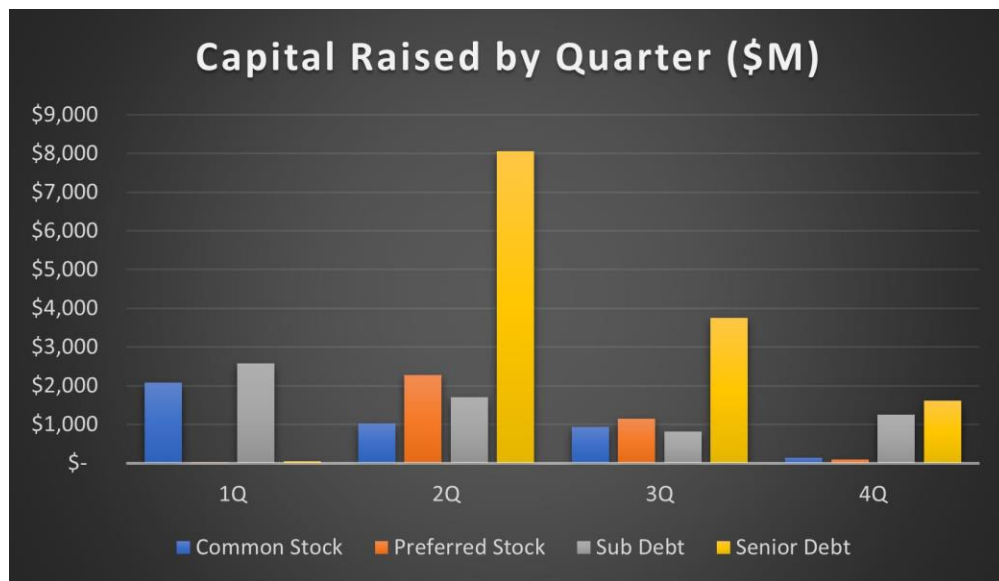
Happy Monday, Bank Slaters!

Hope the first week of 2023 treated you well.

Let's look at capital-raising data.

Capital raised by banks fell sharply in the fourth quarter from a quarter earlier as interest rates kept rising and equity markets stayed volatile.

Banks raised \$3.1 billion in the fourth quarter, a 54% decline from a quarter earlier, based on data from Performance Trust Capital Partners.



SOURCE: Performance Trust Capital Partners

Capital raised by selling common stock fell by 82%, to \$168 million. The amount raised from selling preferred stock fell by 92%, to \$94 million. The average preferred stock dividend was 7.96%, an increase from 7.29% in the third quarter.

Capital raised by issuing subordinated debt rose by 55%, to \$1.3 billion. Absent Northern Trust's \$1 billion issuance on Oct. 26, the total would have fallen by 69%. The average coupon for sub debt issued in the fourth quarter was 6.88% (compared to 6.02% in the third quarter).

Three banks raised \$1.6 billion in the fourth quarter from issuing senior debt, a 57% decline from a quarter earlier. The average coupon was 6.98%, an increase from 4.78%.

(It is worth noting that senior debt volume spiked in the second quarter when the Fed began raising rates.)

Last year, banks tracked by Performance Trust raised about \$27.6 billion, consisting of \$13.5 billion of senior debt, \$6.4 billion of sub debt, \$4.2 billion in common stock and \$3.5 billion in preferred stock.

What are your thoughts? Did you raise capital in 2022? Plan to do so? Let me know at info@thebankslate.com.

The Big Headline

Banks dealing with digital assets must be mindful of potential fraud, legal uncertainties, volatility and inaccurate or misleading disclosures, federal regulators said in a joint statement. The Fed, FDIC and the OCC said the statement reflected the "[significant volatility and vulnerabilities](#)" seen in the cryptocurrency space over the past year.

M&A

- The Bank Slate looked at a number of high-profile mergers that were terminated in 2022. Read more [here](#).
- Renasant in Mississippi has [acquired commercial finance company](#) Republic Business Credit, which focuses on factoring and asset-based lending. The price wasn't disclosed.
- An investor group is [looking to form a holding company](#) to buy First National Bank of Brookfield in Illinois. Brookfield HoldCo includes five individuals, including Phil Richard, the bank's president.
- First Financial Bancorp in Cincinnati has acquired financial advisory firm Brady Ware Capital for [an undisclosed amount](#).
- HNB Bancorp in Missouri [agreed to buy](#) Northeast Missouri Bancshares for an undisclosed sum in a deal expected to close in the second quarter.

Arrivals/Departures

- First State Bank and Trust in Kansas named Jilinda White as its CEO and Chuck Kirmse as president. They succeeded Bill White, [who retired](#).
- Regent Bank in Oklahoma hired Peter Mullen to serve as [director of venture and tech banking](#). He has worked at several tech firms over his career.
- Citizens Bank of Weston in West Virginia said that Charles Stalnaker [retired as its president and CEO](#). Scott Steele was hired as co-CEO on Dec. 5 and appointed to the board 10 days later.

- Fulton Financial in Pennsylvania promoted Dara Bachman to serve as [president of its private bank](#). She was Fulton's director of family wealth.
- Robert James Sr. [plans to retire](#) as the leader of Carver State Bank in Ga. His son, Robert James II, will take over day-to-day operations.
- Blue Ridge Bankshares in Virginia, which was ordered last year to improve fintech oversight, hired Kirsten Muetzel as [president of its fintech division](#). She was at the Fed for about 11 years.
- Richard Hunt, who retired in July as CEO of the Consumer Bankers Association, has become [a senior adviser for Boston Consulting Group](#).
- First Business Financial Services in Wisconsin said Dave Seiler, its COO, had become its president as part of [a series of executive shifts](#).
- Mid Minnesota Federal Credit Union hired Bob Gerads, former chief banking officer at Falcon National Bank, to succeed the retired Chuck Albrecht as [president and CEO](#).
- Rita Lowman, former president of Pilot Bank in Florida, [joined the board](#) of Encore Bank in Arkansas.
- Hope Bancorp in California said David Malone, who retired as bank president in 2021, will [serve as interim CFO](#). He succeeded Alex Ko, who resigned "to pursue other opportunities" but will serve as a consultant through March 31.

(Fin)tech

- Securrency, a crypto infrastructure startup, hired the [head of State Street Digital](#) as its CEO. Nadine Chakar succeeded Dan Doney, who became chief technology officer.
- The NCUA hired Charles Vice as [director of financial technology and access](#). He was commissioner of Kentucky's Department of Financial Institutions.

Odds & Ends

- Brent Beardall, president and CEO of Washington Federal in Seattle, is expected to recover after a private plane he was on [crashed in Utah](#).
- First Merchants in Indiana was [freed from a 2019 order](#) from the Justice Department tied to its fair lending practices.
- Trustmark in Mississippi will recognize a \$100 million litigation settlement expense in the fourth quarter after [settling longstanding litigation](#) involving Stanford Financial Group.
- Community bankers said cybersecurity and credit risk are their [biggest challenges in 2023](#), according to a survey conducted by the Risk Management Association.

- FirstPerryton Bancorp in Texas [raised \\$37.3 million](#) through a private placement of common stock.
- CIBM Bank in Illinois will [hire 30 mortgage lenders](#) to expand into six states.
- Pacific West Bank in Oregon [formed a holding company](#) and is now a unit of Pacific West Bancorp.
- Parkway Acquisition in Virginia [rebranded as Skyline Bankshares](#), aligning its name with that of its bank.

There you go. Another week in the books. Hope the coming week is great for all of you.

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